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**To:** Microsoft ATR **Date:** 11/28/01 2:23pm

**Subject:** Beware of Geeks Bearing Gifts

Apple isn't the only one who's worried about Microsoft's proposal to settle various private lawsuits filed against the company following the US Department of Justice's antitrust allegations. BusinessWeek columnist Charles Haddad has offered his two cents' worth in his latest Byte of the Apple column entitled Beware of Geeks Bearing Gifts.

Comparing Microsoft founder and chairman Bill Gates to John D. Rockefeller, Haddad said that Gates has the ability "to turn a government antitrust assault to his advantage," and this bodes ill for Apple.

Last week Microsoft offered a settlement proposal that would provide 14,000 of the nation's poorest schools with software, training, tech support services and refurbished computer hardware from Microsoft Corp. The proposal has earned the ire of various sources, including Apple, which earlier this week filed a brief in US District Court suggesting that the proposal was full of holes that Microsoft could take advantage of to dominate the educational market -- a market in which Apple currently enjoys relative dominance.

"It's a spectacular offer," admits Haddad. "Gates is not just giving away computers. Ninety million dollars would go to train teachers how to use the computers, and another \$160 million to provide ongoing technical support. Microsoft would also donate one million refurbished PCs."

Haddad noted that the settlement proposal doesn't address the core issue, however: "that Microsoft used its stranglehold on computers to defeat competitors large and small."

Haddad accepted that Microsoft said it's willing to make the offer platform-agnostic -- schools are free to support whatever operating systems and hardware systems they choose, according to the settlement. Haddad suggested that many school administrators "have a herd mentality," and will probably be only too willing to flock towards Windows-based systems like so many of their colleagues.

Haddad said that Apple has to get itself into those very same schools that Microsoft wants to assist with its proposal. If Apple can "demonstrate the ease of using and maintaining Macs, and set up systems that run everything from attendance to grading," Haddad said that the company may have a good chance of winning a good portion of that market.

More details are available from BusinessWeek Online.